

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:5288
ANSWERED ON:28.04.2000
GUIDELINES FOR CONTRACT EMPLOYEES IN PSUS
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government have issued/ formulated guidelines regarding regularisation of services of contract employees in various Public Sector Undertakings (PSUs);
- (b) if so, the complete details of these guidelines;
- (c) whether the Government are aware that in some PSUs the services of technical and non-technical contract employees are terminated after serving for more than 3 to 5 years; and
- (d) if so, the steps taken/ contemplating to take by the Government to ensure that contract employees are absorbed in the PSUs ?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES

(DR. VALLABHBHAI KATHIRIA)

(a) to (d) : Regularisation of services of contract employees in various Public Sector Undertakings (PSUs) is governed by the provisions of Contract Labour (Regulation and Abolition) Act, 1970. The Act does not provide for absorption of contract labour on regular basis. However, in the light of the judgement of the Supreme Court of India in the case pertaining to Air India Statutory Corporations and others versus United Labour Unions and others, establishments engaging contract labour are under statutory obligation to absorb them on regular basis wherever the 'appropriate Government' have prohibited employment of contract labour in any job, work or process in that establishment. The criteria adopted for absorption of such contract labour on regular basis as per the judgement will be the duration of work, number of employees working on the job etc. In case of retrenchment due to excess staff, the principle of 'last come', 'first go' will be applied. The Ministry of Labour has issued directives to the enforcement agencies to strictly implement the judgement.